

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
<b>UPPER MICHIGAN ENERGY RESOURCES</b>	)	
<b>CORPORATION</b> to commence a renewable energy	)	
cost reconciliation proceeding for the 12-month	)	Case No. U-18246
period ended December 31, 2016, for its WPS rate	)	
zone.	)	
_____	)	

At the December 7, 2017 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman  
Hon. Norman J. Saari, Commissioner  
Hon. Rachael A. Eubanks, Commissioner

**ORDER APPROVING SETTLEMENT AGREEMENT**

On June 30, 2017, Upper Michigan Energy Resources Corporation (UMERC) filed an application, with supporting testimony and an exhibit, requesting authority to reconcile its 2016 renewable energy plan (REP) revenues and expenses associated with its REP for its WPS (Wisconsin Public Service) Rate Zone.

A prehearing conference was held on September 12, 2017, before Administrative Law Judge Suzanne D. Sonneborn. UMERC and the Commission Staff participated in the proceedings. There were no intervenors. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

The Commission has reviewed the settlement agreement and finds that the public interest is adequately represented by the parties who entered into the settlement agreement. The Commission

further finds that the settlement agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and should be approved.

THEREFORE, IT IS ORDERED that:

A. The settlement agreement, attached as Exhibit A, is approved.

B. Upper Michigan Energy Resources Corporation's application for authority to reconcile its renewable energy plan revenues and expenses for its WPS Rate Zone for the 12-month period ended December 31, 2016, is approved.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at [mpscedockets@michigan.gov](mailto:mpscedockets@michigan.gov) and to the Michigan Department of the Attorney General – Public Service Division at [pungp1@michigan.gov](mailto:pungp1@michigan.gov). In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General – Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

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Sally A. Talberg, Chairman

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Norman J. Saari, Commissioner

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Rachael A. Eubanks, Commissioner

By its action of December 7, 2017.

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Kavita Kale, Executive Secretary

**STATE OF MICHIGAN**  
**BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

\* \* \* \*

In the matter of the application of	)	
<b>UPPER MICHIGAN ENERGY RESOURCES</b>	)	Case No. U-18246
<b>CORPORATION</b> to commence a renewable energy	)	
cost reconciliation proceeding for the 12-month period	)	
ended December 31, 2016, for its WPS Rate Zone.	)	
_____	)	

**SETTLEMENT AGREEMENT**

Pursuant to MCL 24.278 and Rule 431 of the Michigan Administrative Hearing System's Administrative Rules, R 792.10431, Upper Michigan Energy Resources Corporation ("UMERC" or the "Company") and the Michigan Public Service Commission Staff ("Staff") agree as follows:

1. On June 30, 2017, the Company filed with the Michigan Public Service Commission ("Commission") its Renewable Energy reconciliation application, including its Renewable Energy Annual Report ("Report") for its WPS Rate Zone for 2016 and supporting direct case.

2. In its direct case, UMERCE represents that for the 12-month period ending December 31, 2016, the renewable energy plan for its WPS Rate Zone did not include a renewable energy surcharge. Therefore, as no renewable energy surcharges were applied to customers in the WPS Rate Zone in 2016, UMERCE reported no related collections.

3. On August 11, 2017, the Commission's Executive Secretary issued the Notice of Hearing in this proceeding directing the Company to mail a copy of the Notice of Hearing to all cities, incorporated villages, townships and counties in its service area and to intervenors in Case

Nos. U-17797 and U-18088. Further, the Company was directed to publish the Notice of Hearing in daily newspapers of general circulation throughout its service area.

4. On September 5, 2017, the Company electronically filed the requisite proofs of mailing and publication.

5. On September 12, 2017, Administrative Law Judge (“ALJ”) Suzanne D. Sonneborn, conducted the prehearing conference. The Company and Staff attended the prehearing conference. There were no intervenors.

6. Subsequently, the parties participated in settlement discussions and agree as follows:

- a. UMERC’s 2016 Renewable Energy Annual Report for its WPS Rate Zone satisfies the requirements of MCL 460.1001 *et seq.*, as amended, and UMERC is in compliance with the renewable energy standards.
- b. UMERC and Staff agree that 2016 renewable energy credit portfolio requirements have been met.
- c. For the 12-month period that ended December 31, 2016, UMERC was not authorized to charge, nor did it collect, a renewable energy surcharge. Thus, there are no renewable energy revenues to reconcile in this proceeding.

7. All the parties are of the opinion that this Settlement Agreement is reasonable, in the public interest, and will aid in the expeditious conclusion of this case.

8. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the parties. All offers of settlement and discussions relating to this settlement are considered privileged under Michigan Rules of Evidence, Rule 408. If the

Commission approves this Settlement Agreement without modification, neither the parties to the Settlement Agreement or the Commission shall make any reference to, or use this Settlement Agreement or the order approving it, as a reason, authority, rationale or example for taking any action or position or making any subsequent decision in any other case or proceeding, however, such references may be made to enforce or implement the provisions of this Settlement Agreement and the order approving it.

9. The parties further agree that any order approving this Settlement Agreement shall not establish precedent for future proceedings. This Settlement Agreement is based on the facts and circumstances of this case and is intended as the final disposition of Case No. U-18246. If the Commission approves this Settlement Agreement, without modification, the undersigned parties agree not to appeal, challenge or otherwise contest the Commission order approving this Settlement Agreement.

10. This Settlement Agreement is not severable. Each provision of this Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. Failure to comply with any provision of this Settlement Agreement constitutes failure to comply with the entire settlement agreement. If the Commission rejects or modifies this Settlement Agreement or any provision of this Settlement Agreement, this Settlement Agreement shall be deemed to be withdrawn. It shall not constitute any part of the record in this proceeding or be used for any other purpose, and shall not operate to prejudice the pre-negotiation position of any party.

11. All signatories agree to waive § 81 of the Administrative Procedures Act of 1969, as amended, MCL 24.281, as it applies to the issues in this proceeding, if the Commission approves this Settlement Agreement without modification.

WISCONSIN PUBLIC SERVICE CORPORATION

Dated: November 20, 2017

By: **Sherri A. Wellman**  
Its Attorney  
Sherri A. Wellman (P38989)  
MILLER, CANFIELD, PADDOCK and STONE, P.L.C.  
One Michigan Avenue, Suite 900  
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(517) 487-2070

Digitally signed by: Sherri A. Wellman  
DN: CN = Sherri A. Wellman C = AD O =  
MillerCanfield  
Date: 2017.11.20 10:30:38 -05'00'

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Dated: November 20, 2017

By: **Meredith R. Beidler**  
Its Attorney  
Meredith R. Beidler (P78256)  
Assistant Attorney General  
Public Service Division  
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Digitally signed by Meredith R. Beidler  
DN: cn=Meredith R. Beidler, o=Public Service  
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Date: 2017.11.20 11:24:15 -05'00'

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